United States District Court
Northern District of California

UNITED STATES DISTRICT COURT

NORTHERN DISTRICT OF CALIFORNIA

FINJAN, INC.,
 	
                    Plaintiff,
 	
        v.
 	
ZSCALER, INC.,
 	
                    Defendant.
	Case No. 17-cv-06946-JST
	
	ORDER GRANTING MOTION TO ENFORCE ORDER ON MOTION TO COMPEL; VACATING ORDER TO SHOW CAUSE; AND GRANTING MOTION TO ENLARGE DEADLINES
	
	Re: ECF Nos. 77, 87, 98
	
	FILED UNDER SEAL

Before the Court is Defendant Zscaler, Inc.'s motion to enforce the Court's order at ECF No. 72 granting Zscaler's motion to compel further infringement contentions. ECF No. 77. The Court will grant the motion.[1]

I.   BACKGROUND

Plaintiff Finjan, Inc. and Zscaler are competitors in the malware security field. ECF No. 1 ¶¶ 7, 26. Finjan alleges that Zscaler's products infringe four patents owned by Finjan: U.S. Patent Nos. 6,804,780 ("the '780 patent"); 7,647,633 ("the '633 patent"); 8,677,494 ("the '494 patent"); and 7,975,305 ("the '305 patent"). *Id.* ¶ 21. Finjan served its initial infringement contentions on May 9, 2018. ECF No. 46-3. In response, Zscaler moved for an order compelling Finjan to "revise its infringement contentions to identify, for each item called for in each asserted claim, the specific component or data structure within Zscaler's system that constitutes the claimed item,

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[1] The Court has filed this order under seal because it contains material subject to sealing orders. Within seven days of the filing date of this order, the parties shall provide the Court a stipulated redacted version of this order, redacting only those portions of the order containing or referring to material for which the Court has granted a motion to seal and for which the parties still request the material be sealed. The Court will then issue a redacted version of the order.

1   arranged in the manner called for in the claim." ECF No. 61 at 2. The Court granted the motion

2   and ordered Finjan to file amended infringement contentions within 45 days. ECF No. 72. Finjan

3   timely served its amended contentions. ECF No. 80-6. Zscaler argues that the amended

4   contentions still do not meet the standards set forth in Patent Local Rule 3-1 and moves the Court

5   for an order compelling Finjan to provide further amended contentions "that properly put Zscaler

6   on notice of how its products specifically infringe the patent claims at issue." ECF No. 77 at 5.

7   **II.   LEGAL STANDARD**

8   To satisfy Patent Local Rule 3-1, a "plaintiff [must] compare an accused product to its

9   patents on a claim by claim, element by element basis for at least one of each defendant's

10   products." *Tessenderlo Kerley, Inc. v. OR-Cal, Inc.*, No. C 11-04100 WHA, 2012 WL 1253178,

11   at *2 (N.D. Cal. Apr. 13, 2012) (citations omitted). The rule forces parties to "crystallize their

12   theories of the case early in the litigation and to adhere to those theories once they have been

13   disclosed." *Alberta Telecomms. Research Ctr. v. Rambus Inc.*, No. C06-02595 RMWRS, 2007

14   WL 4170564, at *1 (N.D. Cal. Nov. 19, 2007). Specifically, Patent Local Rule 3-1(c) requires the

15   plaintiff to produce a "chart identifying specifically where and how each limitation of each

16   asserted claim is found within each Accused Instrumentality." Patent L.R. 3-1(c). "This burden

17   cannot be met simply by parroting claim language or referencing screenshots and/or website

18   content." *Finjan, Inc. v. Proofpoint, Inc.*, No. 13-CV-05808-HSG, 2015 WL 1517920, at *6 (N.D.

19   Cal. Apr. 2, 2015). "[T]he degree of specificity under Local Rule 3-1 must be sufficient to

20   provide reasonable notice to the defendant [as to] why the plaintiff believes it has a 'reasonable

21   chance of proving infringement.'" *Shared Memory Graphics LLC v. Apple, Inc.*, 812 F. Supp. 2d

22   1022, 1025 (N.D. Cal. 2010) (citations omitted).

23   **III.   DISCUSSION**

24   Zscaler argues that Finjan's amended contentions continue to suffer from a "unreasonable

25   lack of specificity [that] is prejudicial to Zscaler's ability to prepare a defense." ECF No. 77 at 7.

26   In support, Zscaler offers "representative shortcomings of Finjan's Amended Contentions for each

27   of the asserted patents." *Id.* The Court will address Zscaler's assertions as to each patent in turn.

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United States District Court
Northern District of California

A.   '633 Patent

Claim 1 of the '633 patent claims a computer processor-based method involving a computer that transmits mobile protection code to at least one information destination. ECF Nos. 1-2 at 24; 77 at 7. The Court's prior order held that Finjan's contentions as to the '633 patent "lack[ed] any meaningful, clear, or specific description" of "any particular structure, act, or material that sends mobile protection code." ECF No. 72 at 3. Zscaler asserts that Finjan's amended contentions continue to fail to provide Zscaler with fair notice of Finjan's infringement theories for two reasons: the contentions neither "describe which Zscaler product actually transmits mobile protection code in the '633 Patent" nor "explain *how* the code is transmitted." ECF No. 77 at 11.

First, Zscaler complains that Finjan "asserts an extensive combinatorial list of 'alternative' Zscaler features that it accuses for each claim element." ECF No. 77 at 7. Zscaler asserts that, given the multitude of possible claim element mappings encompassed by this list, it remains "in the dark as to what part of its product transmits mobile protection code and infringes the claims." *Id.* at 7-8 (quoting ECF No. 72 at 3). For example, Finjan lists ten different Zscaler components that could meet the "computer" element, including ███████████████████████ ████████████████████████████████████. *Id.* at 8.[2] For each alleged "computer," Finjan also lists numerous possible alternative "information destinations" joined by the "and/or" connector. *Id.* Zscaler complains that this "choose-your-own-adventure novel of contentions" does not offer the specificity demanded by Patent Local Rule 3-1 and this Court's prior order. *Id.* at 10.

Finjan responds that limiting the number of infringement scenarios it can raise would violate its due process and property rights. ECF No. 80 at 9. "Finjan alleges that Zscaler infringes the asserted patents in many ways across many technologies, and Finjan is allowed to address all

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[2] Finjan asserts that it has identified only eight possible "computers" and excludes ████████ ██████ from its own list. ECF No. 80 at 7. But Finjan's amended contentions clearly allege that "████████ and ██████ also meet the limitation of a computer." ECF No. 79-10 at 7. Finjan explains that it separately identified those technologies only out of uncertainty as to whether they are in fact separate technologies or are instead encompassed within ██████ ECF No. 80 at 11 n.2.

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1   of those ways in discovery and ultimately present them to the jury if required." *Id.* at 10. On

2   reply, Zscaler clarifies that the problem is not the number of theories; "the problem is that none of

3   the numerous theories are described with the required specificity." ECF No. 83 at 7. Rather than

4   a defined – even if large – number of discrete infringement theories, Zscaler charges that Finjan

5   has instead presented such a confusing combinatorial set of possible infringing components as to

6   create a "jumbled mess useful only for shifting-sands litigation tactics." ECF No. 83 at 8.

7   The Court agrees with Zscaler's characterization. Finjan's contentions set forth almost

8   innumerable alternative and overlapping theories, identifying various Zscaler products, including

9   products that function as subcomponents of other accused products, as potential "computers" in

10   some theories and potential "information destinations" in others. ECF No. 79-10 at 3-14. Early

11   disclosure under Patent Local Rule 3-1 functions to "provide structure to discovery and enable the

12   parties to move efficiently toward claim construction and the eventual resolution of their dispute."

13   *Proofpoint*, 2015 WL 1517920, at *1 (quoting *Creagri, Inc. v. Pinnaclife Inc.*, 2012 WL 5389775,

14   at *2 (N.D. Cal. Nov. 2, 2012)). This purpose is frustrated by infringement contentions that set

15   forth such a vast array of possible combinations of infringing products as to allow the plaintiff to

16   avoid asserting its true contentions until a later stage. At some point, a list of alternative theories

17   becomes so unwieldy that a plaintiff cannot be said to have "crystallize[d] their theories of the

18   case early in the litigation" as the Patent Local Rules require. *See Alberta Telecomms. Research*

19   *Ctr.*, 2007 WL 4170564, at *1. Wherever that threshold may be, the Court finds that Finjan has

20   crossed it here. Given the incalculable combinations of infringement theories presented by Finjan

21   as to the '633 patent, the amended contentions are insufficiently specific to put Zscaler on

22   reasonable notice. "Neither the Court nor the Defendants should be required to guess which

23   aspects of the accused products allegedly infringe each claim element." *Proofpoint*, 2015 WL

24   1517920, at *7. Accordingly, the Court GRANTS Zscaler's motion to compel further amended

25   contentions as to the '633 patent.[3]

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27   [3] Finjan cites *In re Katz Interactive Call Processing Patent Litig.*, 639 F.3d 1303, 1313 (Fed. Cir.
     2011) for the proposition that "narrowing by scenarios would preclude unique issues of
28   infringement and violate Finjan's due process and property rights." ECF No. 80 at 10. *Katz*

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(left margin) United States District Court Northern District of California

1   Zscaler further alleges that Finjan's "bare-bones identification of certain elements of

2   Zscaler's system" fails "to explain the 'how' of infringement with any of the requisite specificity."

3   ECF No. 77 at 8. As an example, Zscaler argues that, while Finjan describes the █████

4   "communicat[ing] to the ██████ with code," it fails to explain *how* the communication occurs.

5   *Id.* at 11. Finjan responds by citing numerous instances where its contentions allege that a Zscaler

6   product "communicates," "sends," or "transmits" mobile protection code. ECF No. 80 at 11-12.

7   Because this is the same level of description set forth in claim 1 – which describes "transmitting"

8   mobile protection code from the computer to the information destination without providing

9   additional detail on the process – the Court finds that Finjan has sufficiently described the "how"

10   of infringement as to the claims set forth in the '633 patent. *See* Patent L.R. 3-1(c). Where

11   Finjan's contentions fall short is in identifying "where" the infringement occurs – i.e., which

12   specific components of which specific Zscaler products infringe the '633 patent. It is this

13   deficiency Finjan must address by further amending its infringement contentions.

14   **B.   '780 Patent**

15   Claim 9 of the '780 patent claims a system comprised of two coupled components: a

16   communications engine that obtains a downloadable that includes references to software

17   components required to be executed by the downloadable, and an ID generator that fetches

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19   *Interactive* does not assist Finjan. In that case, a multidistrict litigation, the district court limited
20   the plaintiff patentee to no more than 40 claims per defendant group, and required him after
     discovery to narrow the number of selected claims to 16 per defendant group. *Id.* at 1309. Katz
21   was limited to a total of 64 claims across all actions. *Id.* The district court also added a proviso
     permitting Katz "to add new claims if they 'raise[d] issues of infringement/validity that [were] not
22   duplicative' of previously selected claims." *Id.* Instead of selecting additional claims and seeking
     to show that those claims raised non-duplicative issues of infringement or validity, however, Katz
23   moved the court to sever and stay the non-selected claims. *Id.* at 1309-10. The district court
     denied the motion, and the Federal Circuit affirmed. The court noted that "[i]n complex cases, and
24   particularly in multidistrict litigation cases, the district court 'needs to have broad discretion to
25   administer the proceeding.'" *Id.* at 1313 (quoting *In re Phenylpropanolamine (PPA) Prods. Liab.
     Litig.*, 460 F.3d 1217, 1232 (9th Cir. 2006)). The appellate court found no error in either the
26   district court's adoption of a selection process or in the administration of that process, citing "the
     district court's need to manage the cases before it and the 'strong public interest in the finality of
27   judgments in patent litigation.'" *Id.* (quoting *Cardinal Chem. Co. v. Morton Int'l, Inc.*, 508 U.S.
28   83, 100 (1993)). If *Katz* supports any party's position, it is Zscaler's.

1   software components identified by those references and performs a hashing function to generate

2   an ID for the downloadable. ECF Nos. 1-1 at 18; 72 at 3. In its prior order, the Court held that

3   Finjan's original contentions with regard to the '780 patent "consist[ed] of little more than the text

4   of the patent, followed by text copied verbatim from Zscaler's general marketing materials,

5   without any explanation as to how the products featured in the marketing materials constitute a

6   structure, act, or material that carries out the claims." *Id.* at 4. Similarly, the contentions failed to

7   describe "that, or in what way, the ID generator is coupled with the communications engine." *Id.*

8   Zscaler urges first, that Finjan still fails to identify "how any specific component,

9   algorithm, or data structure allegedly satisfies the limitations" of the '780 patent "other than that

10   *something* contained within high-level system components performs the claimed function." ECF

11   No. 83 at 10 (emphasis added). For example, Zscaler critiques Finjan's contention that each

12   allegedly infringing product it identifies "is or contains a communications engine," arguing that

13   this alternative formulation fails to put Zscaler on notice of which specific components of the

14   accused products Finjan is challenging. ECF No. 77 at 11. Finjan responds that demanding a

15   greater level of detail would require Finjan to "have proven infringement in its contentions." ECF

16   No. 80 at 15 (citing *Network Caching Tech. LLC v. Novell, Inc.*, 2003 WL 21699799, at *4 (N.D.

17   Cal. 2003) ("Patent L.R. 3-1 does not require [plaintiff] to produce evidence of infringement or to

18   set forth ironclad and irrefutable claim constructions.")). Second, Zscaler maintains that Finjan

19   has failed to address how any of the "ID generator" components it identifies in Zscaler's products

20   are "coupled to" the Zscaler App, despite identifying the app as a "communications engine"

21   infringing the '780 patent. ECF Nos. 77 at 12; 83 at 9.

22   Zscaler's second argument is easily disposed of: According to Finjan, each of the ID

23   generators specified in the contentions is "coupled with each of the communications engines

24   described above," which presumably includes the Zscaler App. ECF No. 79-8 at 47, 51, 53.

25   Zscaler's primary argument, however, is well-taken. The Court agrees that Finjan's amended

26   contentions as to the '780 patent are insufficiently specific. Merely identifying the function or

27   output of high-level system components, then alleging that the infringing component must be in

28   there somewhere, is insufficient to meet the requirements of Patent Local Rule 3-1. *See* ECF No.

United States District Court
Northern District of California

1   83 at 10. Instead, Finjan must identify "specifically *where* and *how* each limitation of each

2   asserted claim is found within each Accused Instrumentality." Patent L.R. 3-1(c) (emphasis

3   added). As Finjan's vague and generalized amended infringement contentions as to the '780

4   patent reveal, it still has not done so. Explaining that a product "is or contains" a claimed element

5   is not sufficient to specify where and how the claim limitation is found. As another example,

6   Finjan goes so far as to allege that "█████████████████████████" infringes Claim 9 of the

7   '780 patent "using any combination of the components listed below." ECF No. 79-8 at 37. This

8   broad and overarching contention fails to provide "reasonable notice to the defendant [as to] why

9   the plaintiff believes it has a 'reasonable chance of proving infringement.'" *Shared Memory*

10 *Graphics LLC*, 812 F. Supp. 2d at 1025 (N.D. Cal. 2010) (citations omitted). As such, it is

11 insufficiently specific to meet the dictates of Patent Local Rule 3-1(c). The Court GRANTS

12 Zscaler's motion as to the '780 patent.

13   **C.   '494 Patent**

14   Claim 10 of the '494 patent claims, among other things, a receiver that receives an

15 incoming downloadable, coupled with a downloadable scanner that derives security profile data

16 for that downloadable, including a list of suspicious computer operations the downloadable may

17 attempt. ECF Nos. 1-3 at 28; 77 at 13. The Court earlier held that Finjan's original contentions as

18 to this patent were insufficient because they did not "constitute a narrative explanation of how the

19 product group infringes." ECF No. 72 at 5 (internal quotation marks and citation omitted). In

20 particular, Finjan failed to identify any list of suspicious computer operations connected to a

21 downloadable scanner coupled with a receiver. *Id.* at 4-5.

22   Zscaler argues first – much as it did with regard to the '633 patent – that Finjan's amended

23 contentions include too many alternative combinable products to put Zscaler on fair notice. ECF

24 No. 77 at 13 n.4. Second, Zscaler points to specific places where Finjan's contentions continue to

25 fall short: for instance, by continuing to fail to identify which structure within a Zscaler product

26 meets the "security profile data . . . including a list of suspicious computer operations" element.

27 *Id.* at 13. Similarly, Zscaler reasserts its argument that Finjan fails to connect a list of suspicious

28 operations to any downloadable scanner coupled with a receiver, or to sufficiently explain how

United States District Court
Northern District of California

1   any alleged scanner and receiver are coupled. *Id.* at 14-16.

2   In response, Finjan asserts that it has identified only six specific infringement scenarios as

3   to the '494 patent. ECF No. 80 at 15. Zscaler retorts that "[i]f Finjan's theories are indeed limited

4   to the six infringement scenarios it identifies in its opposition, it should say so *in its infringement*

5   *contentions.*" ECF No. 83 at 11. The Court agrees. For the reasons discussed above as to the

6   '633 patent, alleging an extensive list of potentially infringing products, as arranged in any

7   combination, is not specific enough to meet the requirements of Patent Local Rule 3-1. If Finjan

8   would like to limit its contentions to those identified in its opposition to the motion now before the

9   Court, it must do so by amending the contentions themselves. Accordingly, Zscaler's motion is

10   GRANTED as to the '494 patent.

11   **D.   '305 Patent**

12   The '305 patent claims deal with a computer which contains, among other things, a

13   network interface, an internet application, and a database of parser and analyzer rules. ECF Nos.

14   1-4 at 33; 77 at 15. The Court previously held that Finjan's contentions as to this patent were

15   inadequate because they "fail[ed] to describe any product that is, or contains, a computer which

16   does all three." ECF No. 72 at 5. Zscaler argues that the amended contentions have not remedied

17   this problem.

18   Zscaler reasserts that Finjan has failed to identify any specific computer within Zscaler's

19   system that meets the limitations. ECF No. 77 at 16. Instead, Finjan merely alleges that

20   "███████████████████████████████." ECF No. 79-12 at 4. Finjan insists that

21   objecting to this formulation goes to the merits, rather than the sufficiency, of its infringement

22   contentions. ECF No. 80 at 21. This argument is not persuasive. Patent Local Rule 3-1(b)

23   requires the identification of accused instrumentalities to "be as specific as possible." Finjan's

24   assertion that ████████████████████ is the infringing computer, while identifying a

25   multiplicity of possible network interfaces and internet applications therein that could potentially

26   meet the claim elements, is not sufficiently specific to put Zscaler on notice of Finjan's

27   infringement contentions.

28   As Zscaler points out, descriptions as vague as "any application that processes internet

1   content" identify only broad categories of potential accused components – far from the description

2   of "specifically where and how each limitation of each asserted claim is found within each

3   [a]ccused [i]nstrumentality" that is required by Local Rule 3-1. Patent L.R. 3-1(c); ECF Nos. 77

4   at 16; 79-12 at 4, 5, 9. While the Patent Local Rules do not "require the disclosure of specific

5   evidence nor do they require a plaintiff to prove its infringement case, . . . a patentee must

6   nevertheless disclose what in each accused instrumentality it contends practices each and every

7   limitation of each asserted claim to the extent appropriate information is reasonably available to

8   it." *DCG Sys. v. Checkpoint Techs., LLC*, No. C 11-03792 PSG, 2012 WL 1309161, at *2 (N.D.

9   Cal. Apr. 16, 2012) (citation omitted). The Court GRANTS Zscaler's motion on the '305 patent.

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MOTION TO ENLARGE TIME

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11   In light of the foregoing ruling, Zscaler's motion for extension of time to complete claim

12   construction and related discovery, ECF No. 98, is granted in full. The claim construction hearing

13   will be held on May 28, 2019 at 1:30 p.m., with a tutorial to be held at 1:30 p.m. on May 14, 2019.

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ORDER TO SHOW CAUSE

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15   The Court's order to show cause dated December 11, 2018, ECF No. 87, is vacated. The

16   Court will revisit the case management issues described in that order if the development of this

17   case or Finjan's other cases within this district makes that course of action appropriate.

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CONCLUSION

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19   Zscaler's motion to enforce the Court's earlier order directing more specific infringement

20   contentions is granted. Finjan is directed to serve further amended infringement contentions

21   within 30 days of the date of this order that remedy the deficiencies identified in this order and the

22   Court's order at ECF No. 72. Once Finjan serves its amended contentions, Zscaler may amend its

23   invalidity contentions and claim construction positions within the next 30 days.

24   **IT IS SO ORDERED.**

25   Dated: January 28, 2019

JON S. TIGAR
United States District Judge

United States District Court
Northern District of California

9